



DEPARTMENT OF LABOR

Employment and Training Administration

Labor Surplus Area Classification under Executive Orders 12073 and 10582

AGENCY: Employment and Training Administration, Labor.

ACTION: Notice.

SUMMARY: The purpose of this notice is to announce the annual list of labor surplus areas for Fiscal Year (FY) 2014.

DATES: The annual list of labor surplus areas is effective October 1, 2013, for all states, the District of Columbia, and Puerto Rico.

FOR FURTHER INFORMATION CONTACT: Samuel Wright, Office of Workforce Investment, Employment and Training Administration, 200 Constitution Avenue, NW, Room S-4231, Washington, D.C. 20210. Telephone: (202) 693-2870 (This is not a toll-free number).

SUPPLEMENTARY INFORMATION: The Department of Labor's regulations at 20 CFR Part 654, Subpart A, require the Employment and Training Administration (ETA) to classify jurisdictions as labor surplus areas and to publish annually a list of labor surplus areas. This is the annual list of labor surplus areas.

Eligible Labor Surplus Areas

A Labor Surplus Area (LSA) is a civil jurisdiction that has a civilian average annual unemployment rate during the previous two calendar years of 20 percent or more above the average annual civilian unemployment rate for all states during the same 24-month reference period. ETA uses the Bureau of Labor Statistics unemployment estimates to make these classifications. The average unemployment rate for all states includes data for the Commonwealth of Puerto Rico. The basic LSA classification criteria

include a "floor unemployment rate" and a "ceiling rate." A civil jurisdiction that has an unemployment rate of 6.0% or lower will not be classified a LSA and any civil jurisdiction that has an unemployment rate of 10.0% or higher will be classified a LSA.

In addition, the regulations provide exceptional circumstance criteria for classifying labor surplus areas when catastrophic events, such as natural disasters, plant closings, and contract cancellations are expected to have a long-term impact on labor market area conditions, discounting temporary or seasonal factors.

Civil jurisdictions are any of the following:

- a) A city of at least 25,000 population on the basis of the most recently available estimates from the Bureau of the Census
- b) A town or township in the States of Michigan, New Jersey, New York, or Pennsylvania of 25,000 or more population and which possess powers and functions similar to those of cities
- c) A county, except those counties in the States of Connecticut, Massachusetts, and Rhode Island
- d) A "balance of county" consisting of a county less any component cities and townships identified in paragraphs A or B above
- e) A county equivalent which is a town (with a population of at least 25,000) in the New England States or a municipio in the Commonwealth of Puerto Rico.

Procedures for Classifying Labor Surplus Areas

ETA issues the LSA list on a fiscal year basis. The list becomes effective each October 1 and remains in effect through the following September 30. The reference period used in preparing the current list was

January 2011 through December 2012. The national average unemployment rate (including Puerto Rico) during this period was rounded to 8.56 percent. Twenty percent higher than the national unemployment rate is 10.27 percent. Since the ceiling unemployment rate is 10.0 percent, the qualifying rate for LSA classification is 10.0 percent. Therefore, areas included on the FY 2014 LSA list had a rounded unemployment rate for the referenced period of 10.0 percent (actual rate, greater than or equal to 9.95) or above during the reference period. To ensure all areas classified as labor surplus meet the requirements, when a city is part of a county and meets the unemployment qualifier as a LSA, the city is identified in the LSA list. The balance of county, not the entire county, will be identified if the balance of county also meets the LSA unemployment criteria. The FY 2014 LSA list, statistical data on the current and some previous year's LSAs, and the list of LSAs in Puerto Rico can be accessed at ETA's LSA website <http://www.doleta.gov/programs/lsa.cfm>. In addition, the 2014 LSA list is available on the LMI Win-Win Network Community of Practice at https://winwin.workforce3one.org/view/Labor_Surplus_Area_List_Issued/info.

Petition for Exceptional Circumstance Consideration

ETA can also designate LSAs under exceptional circumstance criteria. ETA can waive the regular the regular classification criteria when an area experiences a significant increase in unemployment which is not temporary or seasonal and which was not reflected in the data for the 2-year reference period. In these situations, ETA can designate civil jurisdictions, Metropolitan Statistical Areas or Combined Statistical Areas, as defined by the Office of Management and Budget as LSAs. In order for an area to be classified as a LSA under the exceptional circumstance criteria, the state workforce agency must submit a petition requesting such classification to ETA. The current criteria for an exceptional circumstance classification are: an area's unemployment rate is at least 10.0 percent for each of the

three most recent months; has a projected unemployment rate of at least 10.0 percent for each of the next 12 months; and has documentation that the exceptional circumstance event has already occurred. The state workforce agency may file petitions on behalf of civil jurisdictions, as well as a Micropolitan Statistical Areas, Metropolitan Statistical Areas or Combined Statistical Areas. The addresses of state workforce agencies are available on the ETA Web site at: <http://www.doleta.gov/programs/lisa.cfm> and https://winwin.workforce3one.org/view/Labor_Surplus_Area_List_Issued/info . State workforce agencies may submit petitions in electronic format to wright.samuel.e@dol.gov, or in hard copy to the U.S. Department of Labor, Employment and Training Administration, Office of Workforce Investment, 200 Constitution Avenue, NW, Room S-4231, Washington, D.C. 20210 Attention Samuel Wright. Data collection for the petition is approved under OMB 1205-0207, expiration date March 31, 2014.

Signed at Washington, D.C. this 25th day of September, 2013.

Eric Seleznow,
Acting Assistant Secretary for
Employment and Training Administration

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